

VZCZCXRO8776
OO RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHMO #0124 0161427
ZNY CCCCC ZZH
O 161427Z JAN 07
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6385
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUEHDX/MOSCOW POLITICAL COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY

C O N F I D E N T I A L MOSCOW 000124

SIPDIS

SIPDIS

DEPT FOR EUR/RUS WARLICK
DEPT FOR EB/ESC SIMON
DOE FOR HARBERT
DOC FOR 4231/IEP/EUR/JBROUGHER
NSC FOR GRAHAM AND MCKIBBEN

E.O. 12958: DECL: 01/16/2017
TAGS: [EPET](#) [ENRG](#) [ECON](#) [PREL](#) [RS](#)
SUBJECT: RUSSIAN ENERGY: LUKOIL, ISA, AND IRAN

REF: A. 06 STATE 179840
[1](#)B. 06 STATE 201110

Classified By: Econ M/C Pamela Quanrud for reasons 1.4 (b/d).

[1](#)1. (C) In response to reftels, Post has approached Lukoil three times over the past two months about the firm's possible investment in the Azadegan oil project in Iran. In Mid-November, econoff drew on reftel A points to express USG concern about press reports suggesting a possible Lukoil investment in Azadegan with a contact in Lukoil's international cooperation department. On December 22 and January 11, Econ M/C raised USG concerns with senior management at the firm in both Moscow and New York. According to those contacts, the firm has consulted extensively internally about the legal and economic implications of such an investment, including under the Iran Sanctions Act. They said that Lukoil has a 20 percent stake in a consortium with Norsk Hydro, which holds the other 80 percent. They told us that the consortium plans to spend USD 5 million or less per year on the venture and has no plans for any new investment outside of this vehicle.
RUSSELL